

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

A REVIEW OF THE RATES AND CHARGES)	
AND INCENTIVE REGULATION PLAN OF)	
SOUTH CENTRAL BELL TELEPHONE)	CASE NO. 90-256
COMPANY)	

O R D E R

On September 30, 1988, the Commission issued an Order in Case No. 10105¹ approving an experimental incentive plan for a two year period. In that Order the Commission also required South Central Bell file a rate case at the end of the two year period and stated that concurrently it would evaluate the results of the experimental incentive plan with a view toward the appropriateness of continuing incentive regulation. The purpose of this Order is to require certain information to be included with South Central Bell's October 1, 1990 filing in order to expedite the case. A copy of this Order is being served on all parties of record in Case No. 89-076.² To assist in the review of South Central Bell's incentive regulation plan, the Commission has undertaken an audit by an independent firm. The firm's final report was released to

¹ Case No. 10105, Investigation of the Kentucky Intrastate Rates of South Central Bell Telephone Company, Inc.

² Case No. 89-076, South Central Bell Telephone Company's Experimental Incentive Regulation Plan.

the public on September 4, 1990. This final report is incorporated by reference and made a part of the record of these proceedings.

Concurrent with its filing, South Central Bell shall provide testimony on the following subjects: cost of capital, capital structure, revenues and expenses, net investment rate base, capitalization, and rate design for the test period selected by South Central Bell. The testimony on these subjects should include discussion of adjustments, both those proposed by South Central Bell and those found reasonable in recent cases.³ In addition, South Central Bell shall also provide testimony on its assessment of the experimental incentive plan.

Concurrent with its filing, the Commission requires that South Central Bell file the information contained in Appendix A, which is attached hereto and incorporated herein. This information is on a historical basis since South Central Bell has not opted under the requirements for notice in Administrative Case No. 331⁴ to participate in the experiment to use a forecasted test period. South Central Bell shall provide an original and 15 copies of the required information with the Commission. If a response to an individual item becomes voluminous, South Central Bell shall file an original and two copies of that response. Each

³ Case No. 8847, Notice Of South Central Bell Telephone Company Of An Adjustment In Its Intrastate Rates And Charges. Case No. 9160, Petition Of South Central Bell Telephone Company To Change And Increase Certain Rates Charges For Intrastate Telephone Service.

⁴ Administrative Case No. 331, An Investigation of Appropriate Guidelines for Filing Forecasted Test Periods.

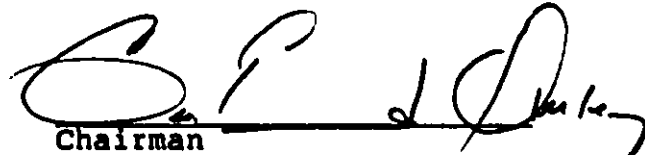
copy of the data requested should be placed in a bound volume with each item tabbed. When a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Include with each response the name of the witness who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to ensure that it is legible. When applicable, the information requested herein should be provided for total Kentucky operations and Kentucky jurisdictional operations, separately. Jurisdictionally separated information should be provided as delineated in Format A. The procedures contained in Part 36 of the Federal Communications Commission's Rules and Regulations should be used; however, intrastate interLATA separations should be modified as described in the Order dated September 6, 1990 in Case No. 89-254.⁵ The information in Appendix A is due no later than October 1, 1990. The Commission, having been sufficiently advised, HEREBY ORDERS that:

1. Pursuant to Case No. 10105, this proceeding is initiated.
2. South Central Bell shall file testimony as described herein on or before October 1, 1990.
3. South Central Bell shall file responses to all questions contained in Appendix A, on or before October 1, 1990.
4. The final report of the independent audit firm shall be incorporated by reference into this proceeding.

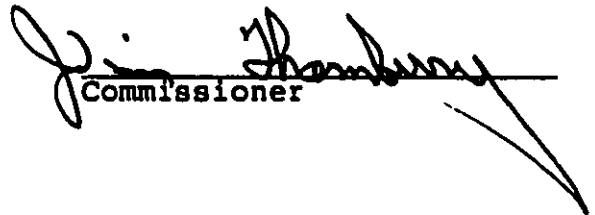
⁵ Case No. 89-254, An Investigation of the Revenue Requirements of InterLATA Access Services of GTE South Incorporated.

Done at Frankfort, Kentucky, this 6th day of September, 1990.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX A

1. a. Complete all attached schedules for the test period, the 12 months immediately preceding the test period and the calendar year preceding the test period unless otherwise indicated on the schedules.

b. For the test period, provide an analysis by Class B expense account which shows the amounts billed to South Central Bell - Kentucky from affiliates, i.e. BellSouth Services, in expense matrix format.

2. Provide a detailed analysis of retained earnings for the test period and the 12-month period immediately preceding the test period.

3. Provide the following:

a. A schedule showing by service category (i.e., local network, private line, intraLATA toll, interLATA, intrastate access charges, etc.) the amount and percent of any proposed increase or decrease in revenue distributed to each category. This schedule is to be accompanied by a statement which explains in detail the methodology or basis used to allocate the requested increase or decrease in revenue to each of the respective service categories.

b. A schedule showing how the increase or decrease in (a) above was further distributed to each service category (i.e., local network, private line, intraLATA toll, etc.). This schedule is to be accompanied by a statement which explains, in detail, the methodology or basis used to allocate the increase or decrease.

c. A statement showing by cross-outs and italicized inserts all proposed changes in rates, charges, terms and conditions, and service rules and regulations for each rate or charge. A copy of the current tariff may be used.

4. Provide a detailed chart of accounts used during the test period.

5. a. Provide an exhibit showing the separation factors used to determine jurisdictional revenues, expenses, investments, reserves and deferrals.

b. Provide an analysis for the test period as outlined in Format A.

6. Provide the detailed workpapers showing calculations supporting all adjustments made to test-period revenue, expense, investment and reserve accounts to arrive at pro forma levels used in determining revenue requirements. Also provide an in-depth explanation of why each adjustment was required. Explain completely all components used in each calculation including the methodology used and all assumptions applied in the derivation of each adjustment. Index each calculation to the proposed adjustment which it supports.

7. For each of the 12 months in the test period, show any revenues reserved or deferred, the month they were deferred or reserved, and the reason for the deferral or reserve. Also show, if any, revenues which were reversed from a deferral or reserve account which were not originally recorded in the test period. Provide a copy of all manual journal entries affecting revenue accounts during the test period.

8. a. A schedule in comparative form showing the total Kentucky and Kentucky jurisdictional operating expense account balances for the test period, the 12-months preceding the test year period, and the calendar 12-months preceding the test period for each account or subaccount included in South Central Bell's annual report (FCC Form M, Schedule 11, pages 3-6). Show the percentage of increase of each year over the prior year.

b. A schedule in comparative form showing the total Kentucky and Kentucky jurisdictional revenue accounts for the 12 months of the test period, the 12 months preceding the test period and the calendar 12 months preceding the test period.

9. An analysis of other operating taxes for the test period, the 12-months preceding the test period and the calendar year preceding the test period.

10. A schedule of total Kentucky and Kentucky jurisdictional net operating income per average access line per company books for the test year and the 5 calendar years preceding the test period.

11. A schedule of total Kentucky and Kentucky jurisdictional average plant-in-service per average access line by account per company books for the test period and the 5 calendar years preceding the test year.

12. Provide all workpapers supporting Schedules C-6, C-7, C-8, C-8.1, C-8.2 and C-9. At a minimum, the workpapers should show the date, vendor, dollar amount, voucher number and a description of each expenditure that individually exceeds \$500.

13. Provide dollar amount of employee concession telephone service for the 12 months of the test period. Include any

individual, organization or groups receiving free or reduced service. Include any concession service provided to other than South Central Bell - Kentucky employees.

14. Provide the following information with regard to uncollectible accounts for the test period and 12 months preceding the test year and the preceding calendar year (taxable year acceptable) for total Kentucky:

- a. Reserve account balance at the beginning of the year.
- b. Charges to reserve account (accounts charged off).
- c. Credits to reserve account.
- d. Current year provision.
- e. Reserve account balance at the end of the year.
- f. Percent of provision to total local service and intraLATA toll revenue.

15. a. Provide a listing of non-utility property and property taxes and accounts where amounts are recorded.

b. Provide a schedule for all non-utility property giving a description, the date purchased, and the cost.

16. Provide a calculation of the rate or rates used to capitalize interest during the construction for the test period and the 3 preceding calendar years. Also provide a narrative explanation of each component entering into the calculation of this rate.

17. Provide a detailed monthly income statement on a Kentucky combined and Kentucky jurisdictional basis for each month

after the test period including the month in which the hearing ends, as the information becomes available.

18. Provide a schedule showing the following information regarding South Central Bell's investments in subsidiaries and joint ventures, with the test period and the year preceding the test period shown separately:

a. Name of subsidiary or joint venture.

b. Date of initial investment.

c. Amount and type of investment made for each of the 2 years included in this report.

d. Balance sheet and income statement for the test period and the year preceding the test period. Where only internal statements are prepared, furnish copies of these.

e. Show on a separate schedule all dividends or income of any type received by South Central Bell from its subsidiaries or joint ventures for each of the 2-year report periods and indicate how this income is reflected in the reports filed with the Commission and the stockholder reports.

f. Name of officers of each of the subsidiaries or joint ventures, officer's annual compensation, and portion of compensation charged to the subsidiary or joint venture. Also, indicate the position each officer holds with South Central Bell and the compensation received.

19. Provide the following data:

a. Consolidated parent and individual subsidiaries balance sheet, income statement, and statement of cash flows for the test period and the last 2 calendar years. These items are to

be provided for individual subsidiaries which have at least \$1,000,000 worth of transactions with the company or with an affiliated company which directly bills SCB-Kentucky.

b. Schedule showing balance sheet, income statement, and retained earnings adjusting entries for the Kentucky subsidiary in its consolidation with the parent company and affiliated companies and any effect upon intrastate Kentucky operations.

c. Schedule of company's home office and/or inter-company charges, monthly for the test period and yearly for the last 2 calendar years. List the type of goods or services provided (i.e., supplies, data service, management services, etc.), the amount by type from each billing unit and the method used in billing (i.e., direct or allocated), and basis for allocating common charges. Also provide any studies available that show the cost/benefit of each service provided to Kentucky ratepayers by the home office or inter-company charges.

d. Schedule of federal income tax reductions due to filing a consolidated parent tax return for the last 2 taxable years. Show source and type of reduction, and method and basis of allocating to companies and states.

e. Provide a calculation of the average (13-month) and the end-of-period debt and equity ratio and average (13-month) and end-of-period composite interest cost and preferred stock cost of the 12 months of the test period for the parent company and for the consolidated companies including all subsidiaries. Schedules D1 through D4 should be used to reflect this information.

20. Provide the most recent available Embedded Direct Analysis.

21. a. Provide an explanation of the settlement method with any telephone companies to arrive at South Central Bell's Kentucky intraLATA revenues for the test period. Provide the traffic agreement presently in use for settlement purposes.

b. Provide an explanation, with copies of appropriate supporting material, of the separation procedures used to arrive at the test period Kentucky intrastate portions of revenues, investment, expenses, taxes, reserves and any other items applicable to the case. Include discussions on cost studies which are used and periods for which studies were made. Also, provide "true-up" factors as they become available.

c. Provide a breakdown by dollar amounts of the Kentucky intrastate access and intraLATA revenues for the test period into their major class including WATS, private line, foreign exchange, and any other items. Include all intrastate access and intraLATA revenues whether received through settlements or otherwise.

22. a. Provide the status of all intraLATA settlements, by major class of service, that were pending at the beginning and at the end of the test period that would affect the test period. Indicate the finality of these settlements and if they are not final, give the expected amounts and the expected dates they will be finalized. These amounts are to be reconciled using criteria specified in past Orders of the Commission with workpapers.

23. a. Provide an exhibit showing the status of all intrastate toll settlements with all connecting companies, including non-regulated companies, that were pending at the beginning and at the end of the test period that would affect the test period. Indicate by company what year cost study or portion of year cost study is presently being used for settlements and the finality of the settlements with regard to the test period. For average schedule companies, explain how Kentucky intrastate portions of the settlements are determined. For settlements that are not final, indicate the expected amounts and the expected dates they will be finalized. These amounts are to be reconciled with book entries including amounts accrued for future settlement adjustments.

b. Provide explanations of projected growth in intraLATA revenues in terms of projected growth in settlements with all connecting companies as a group and of projected growth in total billed toll revenues and messages for all companies combined including South Central Bell.

c. Provide an itemized accounting of all Kentucky intraLATA revenues for the test period including the revenues of South Central Bell and all connecting companies. A detailed statement should be supplied giving the money amounts by dates that have been exchanged between South Central Bell and each connecting company including when settlement amounts were or will be finalized.

d. Provide the estimated changes in intrastate access revenue compensation based on the interim access charge plan or other Orders from this Commission in Case No. 8838.

24. a. Provide written explanation of all pro forma adjustments made to normalize the test period intrastate access and/or intraLATA revenues such as those caused by settlement contract changes and separation procedure changes.

b. Any other information South Central Bell deems necessary to explain the debits and credits to its intrastate access and/or intraLATA revenues in order to normalize its revenues for the test period should be provided.

25. Provide a full description of the methodology used in total factor productivity studies by South Central Bell. Moreover, provide the annual factors for the total company Kentucky combined and Kentucky jurisdictional operations for the test period and the preceding 5 years.

26. Provide a detailed bill for all individual payments made to any affiliated company for each month of the test period.

27. Explain how each affiliated company expenses are allocated to the Kentucky operation. If different allocation methods are used, explain each in detail.

28. Provide any studies available that show the cost/benefit of each service provided to the Kentucky ratepayers by any affiliated company which bills expenses the Kentucky operation.

29. If any carrying charges are billed to the Kentucky operation for any investment, expense, or return on investment utilized by corporate headquarters, etc., provide workpapers

showing the calculations for all charges allocated for the test period and for the latest 2 years.

30. Provide the dollar amount of company-owned aircraft expenses, if any, allocated to Kentucky and describe what benefits accrued to the Kentucky ratepayers from such charges.

31. Provide an analysis of Kentucky clearing accounts for each month of the test period.

32. Provide one copy of any and all computer diskettes which contain formal exhibits and workpapers in support of the filings in this preceding as well as any computer diskettes which contain any workpapers supporting any other adjustments in this preceding.

33. a. Provide on a total Kentucky and Kentucky jurisdictional basis a determination of rate base and capitalization (including JDIC) at the end of the test period using criteria specified in past Orders of the Commission with supporting documentation and workpapers.

b. Provide a reconciliation of any difference between the level of rate base and capitalization for each of these amounts.

c. Provide a reconciliation of the jurisdictional rate base determined above and the rate base presented in the testimony.

34. Provide a detailed schedule of interest on advances earned from affiliates for the test period, the 12 months preceding the test period and the calendar year preceding the test period.

35. Provide an organizational chart for BellSouth Corporation and a description of what each company does and if it, either directly or indirectly, impacts the income statement or balance sheet of SCB in Kentucky.

36. Provide an estimate, based on total dollars billed during the last 3 calendar years, of the total dollars billed either directly or indirectly to the Kentucky jurisdiction by each BellSouth subsidiary.

37. Provide all financial information associated with the purchase of Hughes Telephone Company. Were any transactions allocated to SCB-Kentucky? If so what were they, how much was involved, and is there any impact of the financial statements of SCB-Kentucky? If no, explain why not. If yes, where are the financial imports?

38. For the test period, the 12 months preceding the test period and the calendar year preceding the test period, provide by month, the cash advances from SCB to BellSouth Services, the interest earned each month, and the effective monthly and annual interest rates.

39. Provide a complete listing of expenses included in the test period billed SCB from any affiliate, including BellSouth Headquarters, which are for memberships in service and professional organizations, charitable contributions, corporate image advertising, sponsorship of all special events such as golf tournaments and the administration of the BellSouth Foundation. Provide the Kentucky jurisdictional factor applicable to each expense.

40. Provide a detailed analysis of all expenses recorded on SCB-Kentucky books that are allocated from BellSouth D.C., Inc. Provide the intrastate separate factor(s) applicable to this expense.

41. Provide a copy of the Annual Report on Affiliated Transactions.

42. Provide information, as soon as it is known which would have a material effect on net operating income, rate base, and cost of capital which occurred after the test period and was not incorporated in the filed testimony and exhibits.

43. Provide the actual Kentucky jurisdictional test period revenues from special services introduced and tariffed by South Central Bell in the past two years. Additionally, provide in comparative form the revenues that were forecasted for those same services at the date of the tariff filing.

44. Provide an analysis of South Central Bell's recommendations for regulatory measures necessary to permit South Central Bell adequate flexibility to price competitive services while still providing assurance to the Commission that these services are priced fairly.

(Company)
Case No. _____
Overall Financial Summary
For the 12 Months Ended _____

Data: Test Period
Type of Filing: ☐ Original ☐ Updated ☐ Revised
Workpaper Reference No(s): _____

Schedule A-1
Page ____ of ____
Witness Responsible: _____

Line No.	Description	Supporting Schedule Reference	Jurisdictional Revenue Requirements
1	Rate Base	B-1	\$
2	Operating Income	C-1	
3	Earned Rate of Return (2 + 1)		
4	Rate of Return	D-1	
5	Required Operating Income (1 x 4)		
6	Operating Income Deficiency (5 - 2)		
7	Gross Revenue Conversion Factor	C-12	
8	Revenue Deficiency (6 x 7)		
9	Revenue Increase Requested	C-1 & E-4	
10	Adjusted Operating Revenues	C-1	
11	Revenue Requirements (9 + 10)		
12	Other Items (Specify)		

(Company)
Case No. _____
Revenues at Present and Proposed Rates (1)
The Twelve Months Ended _____

Data: Test Period
Type of Filing: ___Original ___Updated ___Revised
Workpaper Reference No(s).: _____

Schedule A-2
Page ___ of ___
Witness Responsible: _____

Line No.	Rate Classification (A)	Revenue at Present Rates (B)	Revenue at Proposed Rates (C)	Revenue Change (Amount) (D=C-B)	% of Revenue Change (E=D+B)
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(1) Supporting Schedule E-4.1(F)

(Company)
Case No. _____
Jurisdictional Rate Base Summary
As of _____

Data: Test Period
Type of Filing: ___Original ___Updated ___Revised
Workpaper Reference No(s).: _____

Schedule B-1
Page ___ of ___
Witness Responsible: _____

Line No.	Rate Base Component	Supporting Schedule Reference	Company Proposed Amount
1	Plant in Service	B-2	\$
2	Property Held for Future Use	B-2.6	
3	Plant Acquisition Adjustments	B-2.4	
4	Accumulated Depreciation and Amortization	B-3	(_____)
5	Net Plant in Service (1 thru 4)		
6	Construction Work in Progress	B-4	
7	Cash Working Capital Allowance	B-5	
8	Other Working Capital Allowances	B-5	
9	Contributions in Aid of Construction	B-6	(_____)
10	Deferred Income Taxes and Investment Tax Credits	B-6	
11	Other Items (List)	B-6	_____
12	Jurisdictional Rate Base (5 thru 11)		\$ _____

(Company)
Case No. _____
Plant in Service by Major Property Groupings*
As of _____

Data: Test Period _____
Type of Filing: ___Original ___Updated ___Revised
Workpaper Reference No(s): _____

Schedule B-2
Page ___ of ___
Witness Responsible: _____

Line No.	Major Property Groupings	Total Company	Jurisdic- tional %	Jurisdictional Total	Adjustments	Adjusted Jurisdiction
	General Support	\$		\$	\$	\$
	Central Office					
	Information Origination/ Termination					
	Cable and Wire Facilities					
	Amortizable					
	Other (Specify)					
	TOTAL	\$		\$	\$	\$

*This schedule applies to telecommunication companies only.

(Company)
Case No. _____
Plant in Service by Accounts and Subaccounts
As of _____

Data: Test Period
Type of Filing: ___Original ___Updated ___Revised
Workpaper Reference No(s).: _____

Schedule B-2.1
Page ___ of ___
Witness Responsible: _____

Line No.	Acct. No.	Account/ Subaccount Title*	Total Company	Jurisdic- tional %	Jurisdictional Total	Adjustments	Adjusted Jurisdiction
			\$		\$	\$	\$
TOTAL			\$		\$	\$	\$

*Subtotal should be provided for major property grouping.

(Company)
Case No. _____
Proposed Adjustments to Plant in Service
As of _____

Data: Test Period
Type of Filing: ___Original ___Updated ___Revised
Workpaper Reference No(s).: _____

Schedule B-2.2
Page ___ of ___
Witness Responsible: _____

Line No.	Acct. No.	Account Title	Total Company Adjustment	Jurisdic- tional %	Jurisdictional Adjustment	Workpaper Reference No.	Description and Purpose of Adjustment
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TOTAL

(Company)
Case No. _____
Gross Additions, Retirements, and Transfers
From _____ To _____

Data: Test Period
Type of Filing: ___Original ___Updated ___Revised
Workpaper Reference No(s).: _____

Schedule B-2.3
Page ___ of ___
Witness Responsible: _____

Line No.	Acct. No.	Account Title	Beginning Balance	Additions	Retirements	Transfers/Reclassifications		Ending Balance
						Amount	Explanation of Transfers Other Accounts Involved	
			\$	\$	\$	\$		\$

(Company)
Case No. _____
Property Merged or Acquired
From _____ To _____

Data: Test Period
Type of Filing: ___Original ___Updated ___Revised
Workpaper Reference No(s).: _____

Schedule B-2.4
Page ___ of ___
Witness Responsible: _____

Line No.	Acct. No.	Description of Property	Acquisition Cost	Cost Basis	Acquisition Adjustment	Commission Approval Date (Docket No.)	Date of Acquisition	Explanation of Treatment
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(Company)
Case No. _____
Leased Property
(Total Company)

As of _____

Data: Test Period
Type of Filing: ___Original ___Updated ___Revised
Workpaper Reference No(s).: _____

Schedule B-2.5
Page ___ of ___
Witness Responsible: _____

Identification or Reference Number	Description of Type and Use of Property	Name of Lessee	Frequency of Payment	Amount of Lease Payment	Dollar* Value of Property Involved	Explain Method of Capitalization
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*If not available, an estimate should be furnished.

(Company)
Case No. _____
Property Held for Future Use Included in Rate Base
As of _____

Data: Test Period
Type of Filing: ___Original ___Updated ___Revised
Workpaper Reference No(s).: _____

Schedule B-2.6
Page ___ of ___
Witness Responsible: _____

Line No.	Description and Location of Property	Acquisition Date	Original Cost	Accumulated Depreciation	Net Original Cost	Revenue Realized			Expenses Incurred		
						Amount	No.	Description	Amount	No.	Description

(Company)
Case No. _____
Property Excluded from Rate Base*
(For Reasons Other Than Jurisdictional Allocation)
As of _____

Data: Test Period
Type of Filing: ___Original ___Updated ___Revised
Workpaper Reference No(s): _____

Schedule B-2.7
Page ___ of ___
Witness Responsible: _____

Line No.	Acct. No.	Account Title or Description of Excluded Property	In-Service Date	Original Cost	Accumulated Depreciation	Net Original Cost	Period Revenue and Expense			Reasons for Exclusion
							Amount	Acct. No.	Description	

*Provide a list of all utility-owned property associated with the service or area excluded from the rate base for reasons other than jurisdictional allocation.

(Company)
Case No. _____
Accumulated Depreciation and Amortization*
As of _____

Data: Test Period _____
Type of Filing: ___Original ___Updated ___Revised
Workpaper Reference No(s).: _____

Schedule B-3
Page ___ of ___
Witness Responsible: _____

Line No.	Acct. No.	Property Grouping and Account Titles	Total Company Plant Investment	Accumulated Balances			Adjusted Jurisdiction
				Total Company	Jurisdic- tional %	Jurisdictional Total	Adjustments
		Land	\$	\$		\$	\$
		Motor Vehicles					
		Aircraft					
		Special Purpose Vehicles					
		Garage Work Equipment					
		Other Work Equipment					
		Buildings					
		Furniture					
		Office Equipment					
		General Purpose Computers					
		Analog Electronic Switching					
		Digital Electronic Switching					
		Electro-Mech. Electronic Switching					
		Operator Systems					
		Radio Systems					
		Circuit Equipment					
		Station Apparatus					
		Customer Premise Wiring					
		Poles					

*This schedule applies to telephone companies only.

(Company)
Case No. _____
Accumulated Depreciation and Amortization*
As of _____

Data: Test Period
Type of Filing: ___Original ___Updated ___Revised
Workpaper Reference No(s).: _____

Schedule B-3
Page ___ of ___
Witness Responsible: _____

Line No.	Acct. No.	Property Grouping and Account Titles	Total Company Plant Investment	Accumulated Balances			Adjusted Jurisdiction
				Total Company	Jurisdic- tional %	Jurisdictional Total	Adjustments
		Aerial Cable	\$	\$		\$	\$
		Underground Cable					
		Buried Cable					
		Sub. Cable					
		Deep Sea Cable					
		Intrabuilding Cable					
		Aerial Wire					
		Conduit Systems					
		<u>Amortization</u>					
		Capital Leases					
		Leasehold Improvements					
		Intangibles					

*This schedule applies to telephone companies only.

(Company)
Case No. _____
Adjustments to Accumulated Depreciation and Amortization
As of _____

Data: Test Period
Type of Filing: ___Original ___Updated ___Revised
Workpaper Reference No(s).: _____

Schedule B-3.1
Page ___ of ___
Witness Responsible: _____

Line No.	Adjustment Title	Total Company Adjustment	Jurisdic- tional %	Jurisdictional Adjustment	Workpaper Reference	Description and Purpose of Adjustment
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(Company)
Case No. _____
Depreciation Accrual Rates and
Jurisdictional Accumulated Balances by Accounts,
Functional Class or Major Property Group
As of _____

Data: Test Period
Type of Filing: ___Original ___Updated ___Revised
Workpaper Reference No(s).: _____

Schedule B-3.2
Page ___ of ___
Witness Responsible: _____

Line No. (A)	Acct. No. (B)	Account Title or Major Property Grouping (C)	<u>Adjusted Jurisdiction</u>		Current Accrual Rate* (F)	Calculated Depreciation Expense (G=DxF)	% Net Salvage (H)	Average Service Life (I)	Curve Form (J)
			<u>Plant</u> Investment (D)	<u>Accumulated</u> Balance (E)					
			\$	\$		\$			

*Explain in footnotes any differences with the rates included on this schedule and those contained in annual report forms.

(Company)
Case No. _____
Construction Work in Progress
As of _____

Data: Test Period
Type of Filing: ___Original ___Updated ___Revised
Workpaper Reference No(s).: _____

Schedule B-4
Page ___ of ___
Witness Responsible: _____

Line No. (A)	Project No. (B)	Description of Project (C)	Accumulated Costs			Jurisdic- tional % (H)	Total Jurisdictional Cost (I)	Estimated Physical Percent Completed (J)
			Construction Amount (D)	AFUDC Capitalized (E)	Indirect Costs Other (F)*			
					Total Cost (G=D+E+F)			

\$ \$ \$ \$

TOTAL

*Explain the nature of all other indirect costs in footnotes.

(Company)
Case No. _____
Construction Work in Progress - Percent Complete*
As of _____

Data: Test Period
Type of Filing: ___Original ___Updated ___Revised
Workpaper Reference No(s).: _____

Schedule B-4.1
Page ___ of ___
Witness Responsible: _____

Line No. (A)	Project No. (B)	Date Construction Work Began (C)	Estimated Project Completion Date (D)	Percent of Elapsed Time (E)	Original Budget Estimate (F)	Most Recent Budget Estimate (G)	Total Project Expenditures (H)	Percent of Total Expenditures (I)=(H)+(G)
					\$	\$	\$	

*Should be based on expenditures including AFUDC.

(Company)
Case No. _____
Allowance for Working Capital
As of _____

Data: Test Period
Type of Filing: ___Original ___Updated ___Revised
Workpaper Reference No(s).: _____

Schedule B-5
Page ___ of ___
Witness Responsible: _____

Line No.	Working Capital Component	Description of Methodology Used to Determine Jurisdictional Requirement	Workpaper Reference No.	Total Company	Jurisdic-tional %	Jurisdic-tional Amount
				\$		\$

TOTAL

(Company)
Case No. _____
Working Capital Components
As of _____

Data: Test Period
Type of Filing: ___Original ___Updated ___Revised
Workpaper Reference No(s).: _____

Schedule B-5.1
Page ___ of ___
Witness Responsible: _____

Line No.	Description	13-Month Average for Period			Period Balance		
		Total Company	Jurisdic- tional %	Jurisdictional Amount	Total Company	Jurisdic- tional %	Jurisdictional Amount
		(1)	(2)	(3)	(4)	(5)	(6)

(Company)
Case No. _____
Certain Deferred Credits and Accumulated Deferred Income Taxes
As of _____

Data: Test Period
Type of Filing: ___ Original ___ Updated ___ Revised
Workpaper Reference No(s): _____

Schedule B-6
Page ___ of ___
Witness Responsible: _____

Line No.	Account No.	Description	Total Company (1)	Jurisdictional % (2)	Jurisdictional Amount (3)
		Customers' Advances for Construction			
		Contributions in Aid of Construction			
		Investment Tax Credits:			
		Pre-1971 3% Credit			
		1971 4% Credit			
		1975 6% Additional Credit			
		1981 10% Credit on Recovery Property			
		ITC Tax Benefits Sold			
		Deferred Income Taxes:			
		Accelerated Amortization			
		Liberalized Depreciation			
		ACRS Tax Benefits Sold			
		Other (Specify and list separately)			
		Other (Specify and list separately)			

Also provide the ITC option elected in 1971 and 1975 under Section 46(f) of the 1954 Internal Revenue Code.

(Company)
Case No. _____
Jurisdictional Percentage
For the 12 Months Ended _____

Data: Test Period
Type of Filing: ___Original ___Updated ___Revised
Workpaper Reference No(s).: _____

Schedule B-7
Page ___ of ___
Witness Responsible: _____

Line No.	Acct. No.	Account Title	Jurisdic- tional %	Description of Factors and/or Method of Allocation
-------------	--------------	---------------	-----------------------	---

(Company)
Case No. _____
Jurisdictional Statistics - Rate Base
For the 12 Months Ended _____

Data: Test Period
Type of Filing: ___Original ___Updated ___Revised
Workpaper Reference No(s).: _____

Schedule B-7.1
Page ___ of ___
Witness Responsible: _____

Line No. (A)	Description by Major Groupings or Account (B)	Statistic Total Company (C)	Adjustment to Total Company Statistic (D)	Adjusted Statistic for Total Company (E=C + D)	Statistic for Rate Area (F)	Allocation Factor (G=F + E)
--------------------	---	-----------------------------------	---	--	--------------------------------------	--------------------------------

(Company)
Case No. _____
Explanation of Changes in Jurisdictional Procedures
Rate Base

Data: Test Period _____
Type of Filing: ___Original ___Updated ___Revised
Workpaper Reference No(s).: _____

Schedule B-7.2
Page ___ of ___
Witness Responsible: _____

Line No.	Account No.	Description	Procedures Approved in Prior Case	Rationale for Change
-------------	-------------	-------------	-----------------------------------	----------------------

(Company)
Case No. _____
Comparative Balance Sheets (Total Company)
As of _____ and December 31, 19__ - 19__

Data: Test Period
Type of Filing: ___Original ___Updated ___Revised
Workpaper Reference No(s).: _____

Schedule B-8
Page ___ of ___
Witness Responsible: _____

Line No.	Description	\$ Change	Test Period	\$ Change	Most Recent Five Calendar Years						
					19__	\$ Change	19__	\$ Change	19__	\$ Change	19__
	Assets and Other Debits	\$		\$		\$		\$		\$	
		_____		_____		_____		_____		_____	
		\$ _____		\$ _____		\$ _____		\$ _____		\$ _____	
		_____		_____		_____		_____		_____	
	Liabilities and Other Credits	\$		\$		\$		\$		\$	
		_____		_____		_____		_____		_____	
		\$ _____		\$ _____		\$ _____		\$ _____		\$ _____	
		_____		_____		_____		_____		_____	

(Company)
Case No. _____
Jurisdictional Operating Income Summary
For the 12 Months Ended _____

Data: Test Period _____
Type of Filing: ☐ Original ☐ Updated ☐ Revised
Workpaper Reference No(s).: _____

Schedule C-1
Page ____ of ____
Witness Responsible: _____

Line No.	Description	Return at Current Rates	Proposed Increase	Return at Proposed Rates
	Operating Revenues	\$	\$	\$
	<u>Operating Expenses</u>			
	Operating Expenses Before Income Taxes			
	State Income Taxes			
	Federal Income Taxes			
	Total Operating Expenses	\$	\$	\$
	INCOME AVAILABLE FOR FIXED CHARGES	\$	\$	\$
	RATE BASE	\$	\$	\$
	RATE OF RETURN	_____ %	_____ %	_____ %

(Company)
Case No. _____
Jurisdictional Adjusted Operating Income Statement
For the 12 Months Ended _____

Data: Test Period
Type of Filing: ___Original ___Updated ___Revised
Workpaper Reference No(s).: _____

Schedule C-2
Page ___ of ___
Witness Responsible: _____

Line No.	Major Account or Group Classification	Unadjusted Revenues & Expenses	Adjustments	Schedule Reference	Adjusted Revenue & Expenses
-------------	---	--------------------------------------	-------------	-----------------------	-----------------------------------

(Company)
Case No. _____
Operating Revenues and Expenses by Accounts - Jurisdictional
For the 12 Months Ended _____

Data: Test Period
Type of Filing: ___Original ___Updated ___Revised
Workpaper Reference No(s).: _____

Schedule C-2.1
Page ___ of ___
Witness Responsible: _____

Line No.	Account Title	Unadjusted Total Company (1)	Jurisdic- tional & (2)	Unadjusted Jurisdiction (3)	Jurisdictional Method/ Description (4)
-------------	---------------	------------------------------------	------------------------------	-----------------------------------	---

(Company)
Case No. _____
Comparison of Total Company Account Balances
For the 12 Months Ended _____

Data: Test Period
Type of Filing: ___Original ___Updated ___Revised
Workpaper Reference No(s).: _____

Schedule C-2.2
Page ___ of ___
Witness Responsible: _____

Account Title and Account Number	1st Month	2nd Month	3rd Month	4th Month	5th Month	6th Month	7th Month	8th Month	9th Month	10th Month	11th Month	12th Month	Total	\$ Change
-------------------------------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	---------------	---------------	---------------	-------	--------------

Test Period
Prior Period
Increase
(Decrease)

(Company)

Case No. _____

**Summary of Utility Jurisdictional Adjustments to
Operating Income by Major Accounts
For the 12 Months Ended _____**

Data: Test Period

Type of Filing: ☒ Original ☐ Updated ☐ Revised

Workpaper Reference No(s).: _____

Schedule C-3

Page ____ of ____

Witness Responsible:

[illegible]

(Company)
Case No. _____
Detailed Adjustment
For the 12 Months Ended _____

Data: Test Period
Type of Filing: ___Original ___Updated ___Revised
Workpaper Reference No(s): _____

Schedule C-3.1
Page ___ of ___
Witness Responsible: _____

Purpose and Description	Reference Supporting Workpapers	Amount
Accounts or Subaccounts Adjusted (List)		\$
Total Adjustment		\$ _____
Jurisdictional Allocation Percentage		
Jurisdictional Amount		
State Income Tax Impact		
Federal Income Tax Impact		
Net Operating Income Impact		\$ _____

*NOTE: Add schedules as needed.

(Company)
Case No. _____
Summary of Jurisdictional Factors
(Operating Income)
For the 12 Months Ended _____

Data: Test Period
Type of Filing: ___Original ___Updated ___Revised
Workpaper Reference No(s): _____

Schedule C-4
Page ___ of ___
Witness Responsible: _____

Line No.	Acct. No.	Account Title	Jurisdictional Factor	Description of Factor and/or Method of Allocation
-------------	-----------	---------------	--------------------------	--

(Company)
Case No. _____
Jurisdictional Statistics
(Operating Income)
For the 12 Months Ended _____

Data: Test Period
Type of Filing: ___Original ___Updated ___Revised
Workpaper Reference No(s).: _____

Schedule C-4.1
Page ___ of ___
Witness Responsible: _____

Line No. (A)	Description of Jurisdictional Factors (B)	Statistic Total Company (C)	Adjustment to Total Company Statistic (D)	Adjusted Total Company (E=C+D)	Statistic for Jurisdiction (F)	Jurisdic- tional Ratio (G=F+E)
--------------------	--	-----------------------------------	--	--------------------------------------	--------------------------------------	--------------------------------------

(Company)
Case No. _____
Explanation of Change in Jurisdictional Procedures
(Operating Income)
For the 12 Months Ended _____

Data: Test Period
Type of Filing: ___Original ___Updated ___Revised
Workpaper Reference No(s).: _____

Schedule C-4.2
Page ___ of ___
Witness Responsible:

Line No.	Account No.	Description	Procedure Approved in Prior Case	Rationale for Change
-------------	-------------	-------------	-------------------------------------	----------------------

(Company)
Case No. _____
Adjusted Jurisdictional _____ Federal and _____ State Income Taxes*
For the 12 Months Ended _____

Data: Test Period
Type of Filing: _____Original _____Updated _____Revised
Workpaper Reference No(s).: _____

Schedule C-5
Page 1 of 3
Witness Responsible: _____

Line No.	Description	At Current Rates			At Proposed Rates	
		Unadjusted (1)	Schedule C-3 Adjustments (2)	Adjusted (3)	Adjustments (4)	Adjusted (5)
1	Operating Income Before Income Taxes	\$	\$	\$	\$	\$
2	Reconciling Items:					
3	Interest Charges					
4	Tax Accelerated Depreciation					
5	Book Depreciation	_____	_____	_____	_____	_____
6	Excess of Tax Over Book Depreciation					
7	Other Reconciling Items (Specify and List)	_____	_____	_____	_____	_____
8	Total Reconciling Items					
9	Taxable Income	_____	_____	_____	_____	_____
10	Income Tax Rates:					
11	\$ _____ @ _____%					
12	\$ _____ @ _____%					
13	\$ _____ @ _____%					
14	\$ _____ @ _____%					
15	Over \$ _____ @ _____%	_____	_____	_____	_____	_____
16	Federal (State) Income Tax Liability	_____	_____	_____	_____	_____

*Separate schedules should be completed for the federal and state calculation.

(Company)
Case No. _____
Adjusted Jurisdictional _____ Federal and _____ State Income Taxes*
For the 12 Months Ended _____

Data: Test Period
Type of Filing: ___Original ___Updated ___Revised
Workpaper Reference No(s).: _____

Schedule C-5
Page 2 of 3
Witness Responsible: _____

Line No.	Description	At Current Rates			At Proposed Rates	
		Unadjusted (1)	Schedule C-3 Adjustments (2)	Adjusted (3)	Adjustments (4)	Adjusted (5)
17	Investment Tax Credits	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
18	Federal (State) Income Taxes - Current	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
19	Deferred Income Taxes:					
20	Tax Accelerated Depreciation					
21	Tax Straight-Line Depreciation	_____	_____	_____	_____	_____
22	Excess of Accelerated Over Straight-Line Depreciation					
23	Deferred Income Tax @ _____%					
24	Amortization of Prior Years Deferred Income Taxes	_____	_____	_____	_____	_____
25	Net Deferred Income Taxes Resulting from Depreciation					
26	Investment Tax Credit Deferred					
27	Amortization of Prior Years I.T.C.	_____	_____	_____	_____	_____

*Separate schedules should be completed for the federal and state calculation.

(Company)
Case No. _____
Adjusted Jurisdictional _____ Federal and _____ State Income Taxes*
For the 12 Months Ended _____

Data: Test Period
Type of Filing: _____Original _____Updated _____Revised
Workpaper Reference No(s).: _____

Schedule C-5
Page 3 of 3
Witness Responsible: _____

Line No.	Description	At Current Rates			At Proposed Rates	
		Unadjusted (1)	Schedule C-3 Adjustments (2)	Adjusted (3)	Adjustments (4)	Adjusted (5)
28	Investment Tax Credit - Net	\$	\$	\$	\$	\$
29	Other Tax Deferrals (Specify and List Separately)	_____	_____	_____	_____	_____
30	Total Deferred Income Taxes	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
31	Total Federal (State) Income Taxes (18 + 30)	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

*Separate schedules should be completed for the federal and state calculation.

(Company)
Case No. _____
Development of Jurisdictional _____ Federal and _____ State Income Taxes*
(Operating Income Before Adjustments)
For the 12 Months Ended _____

Data: Test Period _____
Type of Filing: _____Original _____Updated _____Revised
Workpaper Reference No(s): _____

Schedule C-5.1
Page 1 of 3
Witness Responsible: _____

Line No.	Account Title	Total Utility (1)	Jurisdic- tional % (2)	Jurisdiction (3)	Jurisdictional Code/Explanation (4)
1	Operating Income Before Income Taxes	\$		\$	
2	Reconciling Items				
3	Interest Charges				
4	Tax Accelerated Depreciation				
5	Book Depreciation	_____		_____	
6	Excess of Tax Over Book				
7	Other Reconciling Items (Specify and List)	_____		_____	
8	Total Reconciling Items	_____		_____	
9	Taxable Income				
10	Federal Income Taxes:				
11	\$ _____ @ _____%				
12	\$ _____ @ _____%				
13	\$ _____ @ _____%				
14	\$ _____ @ _____%				
15	Over \$ _____ @ _____%	_____	_____	_____	_____
16	Federal (State) Income Tax Liability	_____	_____	_____	_____

*Separate schedules should be completed for the federal and state calculation.

(Company)
Case No. _____
Development of Jurisdictional _____ Federal and _____ State Income Taxes*
(Operating Income Before Adjustments)
For the 12 Months Ended _____

Data: Test Period
Type of Filing: ___Original ___Updated ___Revised
Workpaper Reference No(s).: _____

Schedule C-5.1
Page 2 of 3
Witness Responsible: _____

Line No.	Account Title	Total Utility (1)	Jurisdictional % (2)	Jurisdiction (3)	Jurisdictional Code/Explanation (4)
17	Investment Tax Credits	\$ _____		\$ _____	
18	Federal (State) Income Taxes - Current	\$ _____ _____		\$ _____ _____	
19	Deferred Income Taxes:				
20	Tax Accelerated Depreciation				
21	Tax Straight-Line Depreciation	_____		_____	
22	Excess of Accelerated Over Straight-Line Depreciation				
23	Deferred Income Tax @ _____%				
24	Amortization of Prior Years Deferred Income Taxes	_____		_____	

*Separate schedules should be completed for the federal and state calculation.

(Company)
Case No. _____
Development of Jurisdictional _____ Federal and _____ State Income Taxes*
(Operating Income Before Adjustments)
For the 12 Months Ended _____

Data: Test Period
Type of Filing: ___Original ___Updated ___Revised
Workpaper Reference No(s).: _____

Schedule C-5.1
Page 3 of 3
Witness Responsible: _____

Line No.	Account Title	Total Utility (1)	Jurisdictional % (2)	Jurisdiction (3)	Jurisdictional Code/Explanation (4)
25	Net Deferred Income Taxes Resulting from Depreciation	\$		\$	
26	Investment Tax Credit Deferred				
27	Amortization of Prior Years I.T.C.	_____		_____	
28	Investment Tax Credit - Net				
29	Other Tax Deferrals (Specify and List Separately)	_____		_____	
30	Total Deferred Income Taxes	\$ _____		\$ _____	
31	Total Federal (State) Income Taxes (18 + 30)	\$ _____		\$ _____	

*Separate schedules should be completed for the federal and state calculation.

(Company)
Case No. _____
Social and Service Club Dues
For the 12 Months Ended _____

Data: Test Period
Type of Filing: ___Original ___Updated ___Revised
Workpaper Reference No(s): _____

Schedule C-6
Page ___ of ___
Witness Responsible: _____

Line No.	Account No.	Social Organization/ Service Club	Total Utility	Jurisdictional %	Jurisdiction
			\$		\$

(Company)
Case No. _____
Charitable Contributions
For the 12 Months Ended _____

Data: Test Period
Type of Filing: ___Original ___Updated ___Revised
Workpaper Reference No(s).: _____

Schedule C-7
Page ___ of ___
Witness Responsible: _____

Line No.	Account No.	Charitable Organization	Total Utility	Jurisdictional %	Jurisdiction
			\$		\$

(Company)
Case No. _____
Marketing Expense*
For the 12 Months Ended _____

Data: Test Period
Type of Filing: ___Original ___Updated ___Revised
Workpaper Reference No(s): _____

Schedule C-8
Page ___ of ___
Witness Responsible: _____

Line No.	Account No.	Description of Expenses	Total Utility	Jurisdictional %	Jurisdiction
	6611	Product Management			
	6612	Sales			
	6623	Customer Services			
	6722	External Relations			
	6613	Product Advertising			
	6540	Access Expenses			

*This schedule applies to telephone companies only.

(Company)
Case No. _____
Advertising
For the 12 Months Ended _____

Data: Test Period
Type of Filing: ___Original ___Updated ___Revised
Workpaper Reference No(s).: _____

Schedule C-8.1
Page ___ of ___
Witness Responsible: _____

Line No.	Item (A)	Sales or Promotional Advertising (B)	Institutional Advertising (C)	Conservation Advertising (D)	Rate Case (E)	Other (F)	Total (G)
1.	Newspaper						
2.	Magazines and Other						
3.	Television						
4.	Radio						
5.	Direct Mail						
6.	Sales Aids						
7.	Total						

(Company)
Case No. _____
Professional Service Expenses
For the 12 Months Ended _____

Data: Test Period
Type of Filing: ___Original ___Updated ___Revised
Workpaper Reference No(s): _____

Schedule C-8.2
Page ___ of ___
Witness Responsible: _____

Line No.	Description	Expense Breakdown			Total Company Unadjusted	Jurisdic- tional %	Jurisdic- tional Unadjusted	Adjustments	Jurisdic- tional Adjusted
		Rate Case	Annual Audit	Other					
1.	Legal								
2.	Engineering								
3.	Accounting								
4.	Other								
5.	TOTAL								

(Company)
Case No. _____
Civic, Political and Related Activities
For the 12 Months Ended _____

Data: Test Period
Type of Filing: ___Original ___Updated ___Revised
Workpaper Reference No(s).: _____

Schedule C-9
Page ___ of ___
Witness Responsible: _____

Line No.	Item (A)	Amount (B)
1.	Donations	
2.	Civic Activities	
3.	Political Activities	
4.	Other	
5.	Total	

(Company)
Case No. _____
Rate Case Expense (Jurisdiction)
For the 12 Months Ended _____

Data: Test Period
Type of Filing: ___Original ___Updated ___Revised
Workpaper Reference No(s).: _____

Schedule C-10
Page ___ of ___
Witness Responsible: _____

Comparison of Projected Expenses Associated with the Current Case to Prior Rate Cases

Item of Expense	Current Case Estimated	Most Recent Prior Case Actual	Most Recent Prior Case Estimate	Next Most Recent Case Actual	Next Most Recent Case Estimate	Justification of Significant Change
Legal						
Accounting						
Rate of return studies						
Cost of service studies						
Other major rate case expenses						
(List and specify						

Schedule of Rate Case Expense Amortization

Rate Case	Total to be Amortized	Opinion/ Order Order Date	Amorti- zation Period	Amount Amortized to Date	Write-Offs During Period
Current (Estimated)					\$
Most recent					
Next most recent					_____(1) _____ _____

Provide an explanation of the accounting treatment used for rate case expense on the company's books and records.

(1) Represents rate case expense included on Schedule C-2

(Company)
Case No. _____
Payroll Costs
For the 12 Months Ended _____

Data: Test Period
Type of Filing: ____Original ____Updated ____Revised
Workpaper Reference No(s).: _____

Schedule C-11
Page ____ of ____
Witness Responsible: _____

Line No.	Description	Operating Expenses			
		Total Company Unadjusted	Jurisdictional %	Jurisdictional Unadjusted	Jurisdictional Adjusted
1	<u>Payroll Costs</u>				
2	Labor				
3	Employee Benefits				
4	Pension				
5	Other Benefits (Specify and List)				
6	Total Benefits				
7	Payroll Taxes				
8	F.I.C.A.				
9	Federal Unemployment				
10	State Unemployment				
11	Other Payroll Taxes (Specify and List)				
12	Total Payroll Taxes				
13	Total Payroll Costs				

(Company)
Case No. _____
Payroll Analysis
by Employee Classifications/Payroll Distribution
For the 12 Months Ended _____

Data: Test Period
Type of Filing: ___Original ___Updated ___Revised
Workpaper Reference No(s).: _____

Schedule C-11.1
Page ___ of ___
Witness Responsible: _____

Line No.	Description	Most Recent Five Calendar Years					Test Period
		19__ Change	19__ Change	19__ Change	19__ Change	19__ Change	
1	<u>Man-hours</u>						
2	Straight-time Hours						
3	Overtime Hours						
4	Total Man-hours						
5	Ratio of Overtime Hours to Straight-time Hours						
6	<u>Labor Dollars</u>	\$	\$	\$	\$	\$	\$
7	Straight-time Dollars						
8	Overtime Dollars						
9	Total Labor Dollars	\$	\$	\$	\$	\$	\$
10	Ratio of Overtime Dollars to Straight-Time Dollars						
11	Operating Labor Dollars						
12	Ratio of Labor Dollars to Total Labor Dollars Operating						

(Company)
Case No. _____
Payroll Analysis
by Employee Classifications/Payroll Distribution
For the 12 Months Ended _____

Data: Test Period
Type of Filing: ☐ Original ☐ Updated ☐ Revised
Workpaper Reference No(s).: _____

Schedule C-11.1
Page __ of __
Witness Responsible: _____

Line No.	Description	Most Recent Five Calendar Years					Test Period
		19__ Change	19__ Change	19__ Change	19__ Change	19__ Change	
13	Total Employee Benefits	\$	\$	\$	\$	\$	\$
14	Employee Benefits Expensed						
15	Ratio of Employee Benefits Expensed to Total Employee Benefits	== ==	== ==	== ==	== ==	== ==	== ==
16	Total Payroll Taxes	\$	\$	\$	\$	\$	\$
17	Payroll Taxes Expensed						
18	Ratio of Payroll Taxes Expensed to Total Payroll Taxes	== ==	== ==	== ==	== ==	== ==	== ==
19	Average Employee Levels ⁽¹⁾						
20	Year-End Employee Levels						

(1) Provide base period end and 2 most recent calendar years employee levels by month.

(Company)
Case No. _____
Executive Compensation
For the 12 Months Ended _____

Data: Test Period
Type of Filing: ___Original ___Updated ___Revised
Workpaper Reference No(s).: _____

Schedule C-11.2
Page ___ of ___
Witness Responsible: _____

Name of Executive: _____		Operating Expenses			
Line No.	Description	Total Company Unadjusted	Jurisdictional \$	Jurisdictional Unadjusted	Jurisdictional Adjusted
1	Total Salary				
2	Other Allowances and Compensation				
3	Total Compensation				
4	Employee Benefits				
5	Pension				
6	Other Benefits (Specify and List)				
7	Total Benefits				
8	Payroll Taxes				
9	F.I.C.A.				
10	Federal Unemployment				
11	State Unemployment				
12	Other Payroll Taxes (Specify and List)				
13	Total Payroll Taxes				
14	Total Compensation Package				

(Company)
Case No. _____
Computation of Gross Revenue Conversion Factor
For the 12 Months Ended _____

Data: Test Period
Type of Filing: ☐ Original ☐ Updated ☐ Revised
Workpaper Reference No(s).: _____

Schedule C-12
Page ____ of ____
Witness Responsible: _____

Line No.	Description	Percent of Incremental Gross Revenues
1	Operating Revenues	(100.00%)
2	LESS Uncollectibles	
3	Net Revenues	_____
4	State Tax @ ____%	(_____ x Line 3)
5	Income Before Federal Income Tax (Percent)	_____ (Line 3 Less Line 4)
6	Federal Income Tax @ ____%	_____ (.____ x Line 5)
7	Income After Federal Income Tax (Percent)	_____ (Line 5 Less Line 6)
8	Other Taxes Which Vary With Revenue	
9	Operating Income Percentage	
10	Gross Revenue Conversion Factor (100% : Operating income percentage)	$\frac{100.00}{\text{Line 9}} = \text{_____}$ (_____)

Notes:

- All tax percentages shall include the effect of other taxes upon the incremental rate.
- Calculations shown are for illustrative purposes only. Effective state excise tax rate and the actual applicable statutory income tax rate should be used.
- Experienced rate of uncollectible accounts may be used in the calculation.

(Company)
Case No. _____
Comparative Income Statements (Total Company)
19__ - 19__ and the 12 Months Ending _____

Data: Test Period
Type of Filing: ___Original ___Updated ___Revised
Workpaper Reference No(s).: _____

Schedule C-13
Page ___ of ___
Witness Responsible: _____

Line No.	Description	%	Test Period	%	Most Recent Five Calendar Years							
					19__	Change	19__	Change	19__	Change	19__	Change
	<u>Operating Revenues</u>		\$		\$		\$		\$		\$	
	Total Operating Revenues		_____		_____		_____		_____		_____	
	<u>Operating Expenses</u>											
	Total Operating Expenses		_____		_____		_____		_____		_____	
	Net Operating Income		_____		_____		_____		_____		_____	
	<u>Other Income and Deductions</u>											
	Total Other Income and Deductions		_____		_____		_____		_____		_____	
	NET INCOME		\$		\$		\$		\$		\$	

(Company)

Case No. _____

Total Company Kentucky Revenue Statistics

(Telephone Utilities)

19__ - 19__ and the 12 Months Ending _____

Data: Test Period

Type of Filing: ___Original ___Updated ___Revised

Workpaper Reference No(s): _____

Schedule C-14.1

Page ___ of ___

Witness Responsible: _____

Line No.	Description	Most Recent Five Calendar Years					Test Period
		19__	19__	19__	19__	19__	

Basic Local Service Revenue:

Access Lines Revenue

Residential

Business

Total Access Lines Revenue

Other Local Service Revenue⁽¹⁾

Total Local Service Revenue

IntraLATA or InterLATA Toll

Service Revenue:

Message Toll

WATS

Private Line

Total Toll

InterLATA Access Services Revenue

Average Revenue Per Access Line:⁽²⁾

Residential -

Business

Total Aggregate

(1) List all sources of "other local service revenue."

(2) Use the 12-month average as provided on Schedule C-.14.2 excluding interLATA access service revenues.

(Company)
Case No. _____
Total Kentucky Telephone Statistics
19__ - 19__ and the 12 Months Ending _____

Data: Test Period
Type of Filing: ___Original ___Updated ___Revised
Workpaper Reference No(s).: _____

Schedule C-14.2
Page ___ of ___
Witness Responsible: _____

Line No.	Description	<u>Most Recent Five Calendar Years</u>					<u>Test Period</u>
		19__	19__	19__	19__	19__	
	<u>Access Lines in Service</u> ⁽¹⁾						
	Residential						
	Business						
	Total Access Lines						
	<u>Billed Minutes of Use</u> ⁽¹⁾						
	Residential						
	Business						
	IYC						
	Total Billed Minutes						

(1) Provide information for both a 12-month average and at period end.

(Company)
Case No. _____
Jurisdictional Revenue Statistics
(Telephone Utilities)
19__ - 19__ and the 12 Months Ending _____

Data: Test Period
Type of Filing: ___ Original ___ Updated ___ Revised
Workpaper Reference No(s).: _____

Schedule C-14.3
Page ___ of ___
Witness Responsible: _____

Line No.	Description	Most Recent Five Calendar Years					Test Period
		19__	19__	19__	19__	19__	
	<u>Basic Local Service Revenue:</u>						
	<u>Access Lines Revenue</u>						
	Residential						
	Business						
	Total Access Lines Revenue						
	Other Local Service Revenue ⁽¹⁾						
	Total Local Service Revenue						
	<u>IntraLATA and InterLATA Toll</u>						
	<u>Service Revenue:</u>						
	Message Toll						
	WATS						
	Private Line						
	Total Toll						
	<u>InterLATA Access Services Revenue</u>						
	<u>Average Revenue Per Access Line:</u> ⁽²⁾						
	Residential						
	Business						
	Total Aggregate						

- (1) List all sources of "other local service revenue." Jurisdictional refers to the portion of the utility's service area for which the requested rate increase is applicable.
- (2) Use the 12-month average as provided on Schedule C-14.2 excluding interLATA access service revenues.

(Company)
Case No. _____
Jurisdictional Kentucky Telephone Statistics
19__ - 19__ and the 12 Months Ending _____

Data: Test Period
Type of Filing: ___Original ___Updated ___Revised
Workpaper Reference No(s).: _____

Schedule C-14.4
Page ___ of ___
Witness Responsible: _____

Line No.	Description	Most Recent Five Calendar Years					Test Period
		19__	19__	19__	19__	19__	
	<u>Access Lines in Service</u> ⁽¹⁾						
	Residential						
	Business						
	Total Access Lines						
	<u>Billed Minutes of Use</u> ⁽¹⁾						
	Residential						
	Business						
	IYC						
	Total Billed Minutes						

(1) Provide information for both a 12-month average and at period end. Jurisdictional refers to the portion of the utility's service area for which the requested rate increase is applicable.

(Company)
Case No. _____
Cost of Capital Summary

Data: Test Period
Date of Capital Structure: _____
Type of Filing: ☐ Original ☐ Updated ☐ Revised
Workpaper Reference No(s): _____

Schedule D-1
Page 1 of 1
Witness Responsible: _____

Line No.	Class of Capital	Reference	(\$) Amount	% of Total	(\$) Cost	Weighted Cost (%)
1	Long-Term Debt	D-3				
2	Preferred Stock	D-4				
3	Common Equity	_____	_____	_____		_____
4	Total Capital	=====	=====	=====		=====

(Company)
Case No. _____
Embedded Cost of Short-Term Debt

Data: Test Period
Date of Short-Term Debt: _____
Type of Filing: ___Original ___Updated ___Revised
Workpaper Reference No(s).: _____

Schedule D-2
Page 1 of 1
Witness Responsible: _____

Line No.	Issue (A)	Amount Outstanding (B)	Interest Rate (C)	Interest Requirement (D)
-------------	--------------	------------------------------	-------------------------	--------------------------------

(List)

Totals

Cost of Short-Term Debt
(D+B)

(Company)
Case No. _____
Embedded Cost of Long-Term Debt

Data: Test Period
Date of Long-Term Debt: _____
Type of Filing: ___Original ___Updated ___Revised
Workpaper Reference No(s): _____

Schedule D-3
Page 1 of 2
Witness Responsible: _____

Line No.	Debt Issue Type, Coupon Rate	Date Issued (M/D/Y) (A)	Maturity Date (M/D/Y) (B)	Amount Outstand- ing (C)	Cost Rate at Issue ² (D)	Cost Rate at Maturity ³ (E)	Bond Rating At Time of Issue ⁴ (F)	Annualized Interest Cost (G) = (C) x (E)
-------------	------------------------------------	----------------------------------	------------------------------------	-----------------------------------	--	---	---	---

Total Long-Term Debt and
Annualized Cost

Annualized Cost Rate [Total
Co. (G) + Total Co. (C)]

- ¹ Nominal Rate
² Nominal Rate Plus Discount or Premium Amortization
³ Nominal Rate Plus Discount or Premium Amortization and Issuance Cost
⁴ Standard and Poor's, Moody, etc.

(Company)
Case No. _____
Embedded Cost of Long-Term Debt

Data: Test Period
Date of Long-Term Debt: _____
Type of Filing: ☐ Original ☐ Updated ☐ Revised
Workpaper Reference No(s): _____

Schedule D-3
Page 2 of 2
Witness Responsible: _____

Line No.	Principal Amount (H)	Unamortized Discount or Premium (I)	Unamortized Debt Expense (J)	Unamortized Gain or Loss on Recquired Debt (K)	Carrying Value (L=C+I-J+K)
-------------	----------------------------	---	---------------------------------------	--	----------------------------------

(Company)
Case No. _____
Embedded Cost of Preferred Stock

Data: Test Period
Date of Preferred Stock: _____
Type of Filing: ___Original ___Updated ___Revised
Workpaper Reference No(s).: _____

Schedule D-4
Page 1 of 1
Witness Responsible: _____

Line No	Dividend Rate, Type, Par Value	Date Issued (A)	Amount Outstanding (B)	Premium or Discount (C)	Issue Expense (D)	Gain or Loss on Reacquired Stock (E)	Net Proceeds (F=B+C-D+E)	Cost Rate at Issue (G)	Annualized Dividends (H=GxB)
------------	-----------------------------------	-----------------------	------------------------------	----------------------------------	-------------------------	---	--------------------------------	------------------------------	------------------------------------

(List)

Total

Annualized Cost Rate [Total
Col (H) + Total Col (B)

Instructions:

1. If the applicant has issued no preferred stock, this schedule may be omitted.

(Company)
Case No. _____
Comparative Financial Data

Data: Test Period

Date Certain: _____

Type of Filing: ☐ Original ☐ Updated ☐ Revised

Workpaper Reference No(s).: _____

Schedule D-5

Page 1 of 4

Witness Responsible: _____

Line No.	Description	Most Recent Calendar Years									
		Test Period	1	2	3	4	5	6	7	8	9 10
	PLANT DATA:										
	Gross plant in service by major property groupings* (average or normal classifications)*										
	Construction work in progress by major property groupings (average) or normal classifications										
	Total										
	Percentage of construction expenditures financed internally										
	CAPITAL STRUCTURE: (dollars based upon year-end accounts)										
	Short-term debt										
	Long-term debt										
	Preferred stock										
	Common stock										
	Other capital										
	CONDENSED INCOME STATEMENT DATA:										
	Operating revenues										
	Operating expenses (excluding F.I.T. and S.I.T.)										
	State income tax (current)										
	Federal income tax (current)										
	Federal and state income tax (net)										
	Investment tax credits (net)										
	Operating income										
	AFUDC										
	Other income (net)										

*Also include net plant in service for each type of utility service.

(Company)
Case No. _____
Comparative Financial Data

Data: Test Period _____
Date Certain: _____
Type of Filing: ____Original ____Updated ____Revised
Workpaper Reference No(s).: _____

Schedule D-5
Page 2 of 4
Witness Responsible: _____

Line No.	Description	Test Period	Most Recent Calendar Years									
			1	2	3	4	5	6	7	8	9	10
	INCOME AVAILABLE FOR FIXED CHARGES:											
	Interest charges											
	Net income											
	Preferred dividends											
	Earnings available for common equity											
	AFUDC - % of net income											
	AFUDC - % of earnings available for common equity											
	COST OF CAPITAL:											
	Cost of short term debt %											
	Embedded cost of long-term debt %											
	Embedded cost of preferred stock %											
	FIXED CHARGE COVERAGE:											
	Pre-tax interest coverage											
	Pre-tax interest coverage (excluding AFUDC)											
	After tax interest coverage											
	After tax interest coverage (excluding AFUDC)											
	Coverage for SEC filings											
	Indenture provision coverage											
	After-tax fixed charge coverage											

**If combination company, e.g., gas & electric, also show computation for each operation.

(Company)
Case No. _____
Comparative Financial Data

Data: Test Period
Date Certain: _____
Type of Filing: ☐ Original ☐ Updated ☐ Revised
Workpaper Reference No(s).: _____

Schedule D-5
Page 3 of 4
Witness Responsible: _____

Line No.	Description	Test Period	Most Recent Calendar Years									
			1	2	3	4	5	6	7	8	9	10

STOCK AND BOND RATINGS:

Moody's bond rating
S&P bond rating
Moody's preferred stock rating
S&P preferred stock rating

COMMON STOCK RELATED DATA:

Shares outstanding - Year-end
Shares outstanding - Weighted
average (monthly)
Earnings per share - Weighted
average
Dividends paid per share
Dividends declared per share
Dividend payout ratio (declared basis)
Market price - High, (low)
1st quarter
2nd quarter
3rd quarter
4th quarter
Book value per share (year-end)

RATE OF RETURN MEASURES:

Return on common equity (average)

(Company)
Case No. _____
Comparative Financial Data

Data: Test Period

Date Certain: _____

Type of Filing: Original Updated Revised

Workpaper Reference No(s).: _____

Schedule D-5

Page 4 of 4

Witness Responsible: _____

Line No.	Description	Test Period	Most Recent Calendar Years									
			1	2	3	4	5	6	7	8	9	10
	Return on total capital - (average)											
	Return on net plant in service (average) - Total company***											
	OTHER FINANCIAL AND OPERATING DATA:											
	Mix of sales (gas and electric)											
	Mix of fuel (gas and electric)											
	Composite depreciation rates											

***If combination company, e.g., gas & electric, also show computation for each operation.

(Company)
Case No. _____
Narrative Rationale for Tariff Changes

Data: Test Period

Type of Filing: ___Original ___Updated ___Revised

Schedule E-3

Page ___ of ___

Witness Responsible:

Schedule

E-2 Page

Reference

Type of Rate

or Regulation

Explanation of Change

Rationale for Change

Cost Support or

Other Reference

(Company)
Case No. _____
Revenue Summary Schedule
(Telephone Utilities)

Data: Test Period _____
Type of Filing: ___Original ___Updated ___Revised
Workpaper Reference No(s).: _____

Schedule E-4
Page ___ of ___
Witness Responsible: _____

Line No.	Description	Access Lines (or Items) (A)	Test Period	
			Mo. Rate (or Chge/Item) (B)	Annual Revenues (C=AxBx12)
	Residential one party			
	two party			
	four party			
	multi-party			
	Total residential			
	Business one party			
	two party			
	multi-party			
	multi-line			
	Total business			
	Total basic exchange rates			
	Other service types			
	- Total other			
	Grand total			

(Company)
Case No. _____
Typical Bill Comparison
(Telephone Utilities)

Data: Test Period
Type of Filing: ___Original ___Updated ___Revised
Workpaper Reference No(s).: _____

Schedule E-6
Page ___ of ___
Witness Responsible: _____

Present Rates

Proposed Rates

Percent Change

Rate Group--

Business - Single Line
Basic Exchange
Other Local Exchange
Toll
Total Average Bill

Business - Multi-line
Basic Exchange
Other Local Exchange
Toll
Total Average Bill

Residence - Single line
Basic Exchange
Other Local Exchange
Toll
Total Average Bill

(Company)
Case No. _____
Separations Detail

Data: ___ Test Period
Type of Filing: ___ Original ___ Updated ___ Revised
Workpaper Reference No(s): _____

Format A
Page ___ of ___
Witness Responsible: _____

Line No.	Combined Amounts	Non-Reg Amounts	Contracted Separations Amounts	Separations Base	Total Interstate	Total Intrastate	Intrastate InterLATA	Intrastate Mess. Toll	Intrastate Priv. Line	Local
-------------	---------------------	--------------------	-----------------------------------	---------------------	---------------------	---------------------	-------------------------	--------------------------	--------------------------	-------

Investment

General Support

COE Cat.1E Comb. Aux.
COE Cat.1FA TSPS Oper.
COE Cat.1FC TSPS Other
COE Cat.1 P&C
COE Cat.2 Tandem
COE Cat.2 P&C
COE Cat.3 Other
COE Cat.3 Eq. Access
COE Cat.3 P&C
COE Cat.4.11 WB Exch
COE Cat.4.12
COE Cat.4.13
COE Cat.4.22
COE Cat.4.23
COE Cat.4.3
COE Cat.4 P&C
IOT Other
IOT Inside Wire
IOT Coin Pay Telephone
C&WF Cat.1.1 State Exch
C&WF Cat.1.2 Inter Exch
C&WF Cat.1.3 Joint
C&WF Cat.2 WB & Exch
C&WF Cat.3 Interexch
C&WF Cat.4 Host/Remote
Tangible Assets
Intangible Assets
Prop. Held for Future Use
TPUC Short Term
TPUC Long Term
Mat. and Supplies

Gross TPIS
Rate Base Adjustments
Adjusted TPIS

Depreciation

General Support
COE Switching
COE Operator
COE Circuit
IOT
C&WF

Total Accum. Depr.

(Company)
Case No. _____
Separations Detail

Data: Test Period
Type of Filing: Original Updated Revised
Workpaper Reference No(s):

Format A
Page ____ of ____
Witness Responsible:

[illegible]

(Company)
Case No. _____
Separations Detail

Date: ____ Test Period
Type of Filing: ____ Original ____ Updated ____ Revised
Workpaper Reference No(s): _____

Format A
Page ____ of ____
Witness Responsible: _____

Line No.	Combined Amounts	Non-Reg Amounts	Contracted Amounts	Separations Base	Total Interstate	Total Intrastate	Intrastate InterLATA	Intrastate Mass. Toll	Intrastate Priv. Line	Local
-------------	---------------------	--------------------	-----------------------	---------------------	---------------------	---------------------	-------------------------	--------------------------	--------------------------	-------

7500 Interest Expenses

Total Expenses

Frozen SPF

Transitional SPF

Weighted DEM

Unweighted DEM

Transitional DEM

SLU

Tandem Switching MOUs

Equal Access Minutes Factor